

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: U S WEST COMMUNICATIONS, INC.	DOCKET NO. INU-00-3
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ORDER INITIATING FORMAL NOTICE AND COMMENT PROCEEDING

(Issued April 11, 2000)

INTRODUCTION

On February 11, 2000, U S WEST Communications, Inc. (U S WEST), filed a petition asking the Board to determine that the provision of local directory assistance (DA) services in Iowa are subject to effective competition and should be deregulated. Pursuant to 199 IAC 5.3(1), the Board is initiating a formal notice and comment proceeding to determine whether local DA services are subject to effective competition and should be deregulated. U S West's petition provides indications the criteria for effective competition in 199 IAC 5.6(1) may be met, including availability of comparable services from a choice of suppliers, inability of a single provider to determine or control prices, ease and likelihood of entry, and substitutability of one provider's service for another. The petition makes a sufficient initial showing of competition to justify these proceedings.

Pursuant to 199 IAC 5.2(2), the petitioner is required to provide data sufficient to support a prima facie finding that the service is subject to effective competition. In support of its petition, U S WEST provided a listing of services it considers to be competitive alternative to its local DA offerings. These include dial-around options,

inter-exchange carrier options, CLEC options, calling card options, wireless options, and internet options. A petitioner is also required to identify all persons or parties who are actual or potential competitive providers of the service. U S WEST has identified approximately 187 actual or potential competitors to its DA services.

The Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a response to the petition and requested the Board docket this matter as a formal notice and comment proceeding. The Consumer Advocate's response denies the material allegations of the petition, citing a lack of information sufficient to make such determinations.

ANALYSIS

The Board will schedule a formal notice and comment proceeding.

1. The Board's Authority To Deregulate

Iowa Code § 476.1D(1) (1999) provides in relevant part that "the jurisdiction of the board as to the regulation of communications services is not applicable to a service or facility that is provided or is proposed to be provided by a telephone utility that is or becomes subject to effective competition, as determined by the board."

2. Initiation of formal proceeding

Pursuant to 199 IAC 5.3(1), the Board will initiate a formal notice and comment proceeding, identified as Docket No. INU-00-3, to determine whether local DA services are subject to effective competition and should be deregulated. U S West's petition identifies approximately 187 actual or potential competitors to its local DA services.

The Board intends to develop a complete evidentiary record concerning the application of the criteria in subrule 5.6(1) to the identified service. Participants in this docket will be permitted to file sworn statements of position and counterstatements, pursuant to 199 IAC 5.4. An oral presentation, at which all participants will be permitted to cross-examine other participants, will be held pursuant to 199 IAC 5.3(4) and 5.5.

3. U S West's Request For Waiver Of Accounting Plan

U S West also requests "a waiver of the requirement to file an accounting plan," presumably a reference to 199 IAC 5.7(b) and (c). The Board has previously waived the accounting plan requirements of 199 IAC 5.7(b) and (c) in its March 12, 1999, order in Docket No. WRU-99-9-272 in anticipation of a U S WEST filing to deregulate DA.

4. Notice

The Board's rules require that upon docketing a petition for deregulation of a telecommunications service or facility, the Board will cause notice of the proceeding to be published in the Iowa Administrative Bulletin and the Board may require specific notice to persons identified as competitors. 199 IAC 5.3(3). The Board will require U S West to serve a copy of its petition and this order on each person identified by U S West as an actual or potential competitor in the list it filed with its petition.

ORDERING CLAUSES

IT IS THEREFORE ORDERED:

1. A formal notice and comment proceeding, identified as Docket No. INU-00-3, is initiated to determine whether local directory assistance services are subject to effective competition and should be deregulated pursuant to Iowa Code § 476.1D.

2. The Executive Secretary of the Board is directed to cause notice of the docketing of these proceedings to be published in the Iowa Administrative Bulletin. In addition, a copy of this order shall be mailed to each telecommunications carrier with a tariff on file with the Board.

3. U S West is directed to serve a copy of its petition and this order on each person identified as an actual or potential competitor as indicated by the list filed with its petition on February 11, 2000.

4. The following procedural schedule is established:

a. Any interested person may file, on or before June 12, 2000, a statement of position concerning deregulation of the listed services. Statements of position must substantially comply with 199 IAC 2.2(2). Ten copies must be filed with the original.

b. Any person filing a statement of position may file a counterstatement replying to the comments of other participants no later than June 26, 2000. Ten copies must be filed with the original and copies must be served upon all participants filing statements to which the counterstatement responds. Counterstatements must substantially comply with 199 IAC 2.2(3).

c. All statements and counterstatements shall be sworn and directed to the Executive Secretary, Iowa Utilities Board, 350 Maple Street, Des Moines, Iowa 50319-0069.

d. An oral presentation is scheduled for the purpose of taking sworn testimony concerning the statements and counterstatements. The oral presentation shall be held July 12, 2000, beginning at 10 a.m. in the Board's hearing room at 350 Maple Street, Des Moines, Iowa. All persons filing written statements shall have at least one witness available at the oral presentation who may be cross-examined on the subject matter of the written statement. Cross-examination may be by the Board, Consumer Advocate, and other participants as the Board may deem appropriate to develop the record fully. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Board at 515-281-5256 in advance of the scheduled date to request that appropriate arrangements be made.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr. /s/ Diane Munns
Executive Secretary

Dated at Des Moines, Iowa, this 11th day of April, 2000.

UTILITIES DIVISION [199]

NOTICE OF INTENDED ACTION

The Utilities Board (Board) hereby gives notice that on April 11, 2000, the Board issued an order in Docket No. INU-00-3, In Re: U S WEST Communications, Inc., "Order Initiating Formal Notice And Comment Proceeding," pursuant to Iowa Code section 476.1D, to consider whether the provision of local directory assistance (DA) services are subject to effective competition in Iowa and should be deregulated.

On February 11, 2000, U S WEST Communications, Inc. (U S WEST), filed a petition asking the Board to determine that the provision of local DA services in Iowa are subject to effective competition and should be deregulated. Pursuant to 199 IAC 5.3(1), the Board is initiating a formal notice and comment proceeding. U S WEST's petition provides indications the criteria for effective competition in 199 IAC 5.6(1) may be met, including availability of comparable services from a choice of suppliers, inability of a single provider to determine or control prices, ease and likelihood of entry, and substitutability of one provider's service for another. The petition makes a sufficient initial showing of competition to justify these proceedings.

Copies of the Board's complete order initiating formal notice and comment proceedings may be obtained from the Board by calling 515-281-6240 or off the Board's web page, <http://www.state.ia.us/iub>.

Any interested person may file, on or before June 12, 2000, a statement of position concerning deregulation of the local DA. Statements of position must

substantially comply with 199 IAC 2.2(2). Ten copies must be filed with the original. All written statements should clearly state the author's name and address and should make specific reference to Docket No. INU-00-3.

Any person filing a statement of position may file a counterstatement replying to the comments of other participants no later than June 26, 2000. Ten copies must be filed with the original and copies must be served upon all participants filing statements to which the counterstatement responds. Counterstatements must substantially comply with 199 IAC 2.2(3).

All statements and counterstatements shall be sworn and directed to the Executive Secretary, Iowa Utilities Board, 350 Maple Street, Des Moines, Iowa 50319-0069.

An oral presentation is scheduled, pursuant to 199 IAC 5.3(4) and 5.5, for the purpose of taking sworn testimony concerning the statements and counterstatements. The oral presentation shall be held July 12, 2000, beginning at 10 a.m. in the Board's hearing room at 350 Maple Street, Des Moines, Iowa. All persons filing written statements shall have at least one witness available at the oral presentation who may be cross-examined on the subject matter of the written statement. Cross-examination may be by the Board, the Consumer Advocate Division of the Department of Justice, and other participants as the Board may deem appropriate to develop the record fully. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Board at 515-281-

5256 in advance of the scheduled date to request that appropriate arrangements be made.

April 11, 2000

/s/ Allan T. Thoms
Allan T. Thoms
Chairperson